

**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT
BOARD OF COMMISSIONERS' VIRTUAL MEETING
MAY 26, 2022, AT 5:15 P.M.**

Present for the Board: Gregory Dubreuil, John Hine, Denise Presley, Paul Dobosh, Kurt Schenker

Present for SHELD: General Manager Sean Fitzgerald, Administrative Assistant Kim Mendoza, Financial Manager Michael Conchieri

Guest: Susan Perry, MPIC

The virtual meeting was called to order at 5:15 P.M. by Chairman Hine.

On a motion by Mr. Dubreuil, seconded by Mr. Schenker, it was unanimously VOTED: To move to executive session pursuant to M.G.L. c. 164, § 47D, for purposes of discussing trade secrets, confidential, competitively sensitive, or other propriety information and to discuss the purchase, exchange, lease or value of real property that the Board has determined the disclosure of which may have a detrimental effect on their negotiating position, and return to open session at approximately 6:00PM, by a roll call vote: Mr. Dubreuil – aye, Ms. Presley – aye, Mr. Dobosh – aye, Mr. Schenker-aye, Mr. Hine – aye

The open session reconvened at 6:00 PM.

Minutes Approval:

4/28/2022 Open Session:

On a motion by Mr. Dubreuil, seconded Mr. Schenker, it was unanimously VOTED: To approve the April 28, 2022, open session meeting minutes of the Board of Commissioners virtual meeting, by a roll call vote: Mr. Dobosh-aye, Mr. Dubreuil – aye, Mr. Schenker – aye, Ms. Presley – aye, Mr. Hine – aye.

4/28/2022 Executive Session:

On a motion by Mr. Dubreuil, seconded Ms. Presley, it was unanimously VOTED: To approve the April 28, 2022, Board of Commissioners executive session minutes and not release, by a roll call vote: Mr. Schenker – aye, Ms. Presley – aye, Mr. Dobosh-aye, Mr. Dubreuil – aye, Mr. Hine – aye.

5/12/2022 Open Session:

On a motion by Mr. Dubreuil, seconded Mr. Schenker, it was unanimously VOTED: To approve the May 12, 2022, open session minutes of the virtual meeting of the Board of Commissioners, by a roll call vote: Mr. Dobosh-aye, Mr. Dubreuil – aye, Ms. Presley – aye, Mr. Schenker – aye, Mr. Hine – aye.

5/12/2022 Executive Session:

On a motion by Mr. Dubreuil, seconded Mr. Schenker, it was unanimously VOTED: To approve the May 12, 2022, executive session minutes of the Board of Commissioners' virtual meeting, and not release, by a roll call vote: Ms. Presley – aye, Mr. Schenker - aye, Mr. Dubreuil – aye, Mr. Dobosh-aye, Mr. Hine – aye.

Public Comment:

Mr. Ron Coutu wanted to comment on the Battery Storage project. Mr. Hine asked him to wait until the topic came up later in the meeting.

Master Plan Implementation Committee:

Susan Perry presented the Board with a current list of action items for SHELD and stated that there will be a change in the reporting on the status of the items. The town planner wants the reports returned by August 15, December 15 and April 15th.

Mr. Fitzgerald stated he would update the status report and send it to the Commissioners for their review and comments. He asked that the Board send him comments and questions by June 10th.

Manager's Report:

Outages:

There was one minor outage this month due to a squirrel, impacting 3 customers.

Fibersonic Update:

There are currently 1469 connected fiber customers and 260 phone customers.

19 of the 32 fiberhoods are connected. Construction is ongoing and includes some underground areas. The Miller Ave fiberhood is accepting applications as of today.

We are in the process of onboarding the fiber customers from the Town of Shutesbury into our system for an end of July transition to become their ISP. The Town of Leverett voted to award us their fiber contract which should be signed by June 10th. Their cut over date is expected in December 2022.

December 2021 Financials:

Mr. Conchieri referenced PowerPoint slides as he gave a brief overview of the financials for the month ending December 31, 2021.

Kilowatt hour sales for 2021 were up by 1.9% from 2020, or 2,012,000 kilowatt hours. Year-to-date operating revenues were up 2.6% from 2020, or about \$345,000, which consisted of an increase of \$253,000 in volume and an increase of \$92,000 in selling price. We had budgeted for a \$576,000 revenue decrease; the actual was a \$922,000 increase.

The 2021-kilowatt hour purchases were up by 1.9% from 2020, or 2,114,000. The 2021 cost of power sold was up by about 5.3% from 2020, or \$462,000, which consisted of an increase of \$166,000 in kilowatt hour purchase volume, and an increase of \$296,000 in purchase price. We had budgeted for a cost decrease of \$602,000; the actual was a \$1,064,000 increase.

The increase in revenue was more than the increase in the cost of power sold; therefore, the net revenue of \$5,947,000 was up from 2020 by \$541,000. There was an actual to budget increase in revenue which was more than the actual to budget increase in cost of power; therefore, the actual net revenue was up from the budgeted amount by \$167,000.

All other 2021 operating expenses of \$5,964,000 on a combined basis, were up from 2020 by about \$295,000 and up from the budgeted amount by \$246,000.

December 2021 ended with a net YTD profit of about \$226,000, compared to the 2020 net profit of \$217,000 and was short of the budgeted amount of a \$403,000 profit.

Mr. Conchieri answered several questions for the Board. He stated that residential kilowatt hours sold decreased and commercial, and all other categories, increased as people offices reopened following COVID shutdowns. Mr. Conchieri presented a 5-year comparison of SHELd's liquidity, solvency, and profitability to other utilities in the northeast. We are looking strong and consistent, better than most other utilities with published figures.

MMWEC Special Project 2022A – Battery Storage Vote:

Mr. Fitzgerald stated that the Board had met in executive session to discuss the MMWEC battery storage project because of its competitive nature, but management is now recommending the Board table voting on the project. Mr. Fitzgerald stated that after Mr. Conchieri did his analysis, there were questions management had for MMWEC, so the vote would not happen tonight.

Mr. Hine asked Mr. Coutu if he still wanted to speak on the subject. Mr. Coutu said he was glad about that decision because he doesn't feel confident that MMWEC and Anbaric are ready to handle this large-scale battery storage project. Mr. Hine stated the Board would not take any action on this tonight.

Old Business:

There was none.

New Business:

Mr. Schenker asked Mr. Fitzgerald if SHELd had any events planned. Mr. Fitzgerald stated that there is an upcoming board orientation at MMWEC for any board members wanting to attend, the NEPPA conference is in August and he will send out information once he has it, and we have locked in dates for Steve VanderMere to return and help update SHELd's Strategic Plan in October. Also, SHELd is sponsoring the Town fireworks which will be held July 2nd at the middle school.

Adjourn:

On a motion by Mr. Schenker and seconded by Mr. Dobosh, the meeting was unanimously VOTED: to adjourn by a roll call vote: Mr. Dobosh-aye, Mr. Dubreuil – aye, Mr. Schenker - aye, Ms. Presley – aye, Mr. Hine – aye.

The open session ended at 6:28P.M.

Gregory Dubreuil, Light Board Secretary

Approved: June 23, 2022

EXHIBIT A

List of Documents reviewed at the May 26, 2022, Municipal Light Board Meeting

1. Draft Open Session Minutes April 28, 2022
2. Draft Executive Session Minutes April 28, 2022
3. Draft Open Session Minutes May 12, 2022
4. Draft Executive Session Minutes May 12, 2022
5. Master Plan Action List for SHELD
6. December 31, 2021, Financials